

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY (CRA)
CITY COMMISSION CONFERENCE ROOM
JANUARY 23, 2002**

Mayor Naugle called the meeting to order at 4:02 P.M. Roll was called, and a quorum was present.

Present: Mayor Naugle
Commissioner Cindi Hutchinson
Commissioner Gloria F. Katz
Commissioner Carlton Moore
Commissioner Tim Smith

Absent: None

Also Present: City Manager
City Attorney
City Clerk

Approval of Minutes – November 20, 2001

Motion made by Commissioner Smith and seconded by Commissioner Hutchinson that the minutes of the November 20, 2001 meeting be approved as presented. Roll call showed: YEAS: Commissioners Smith, Hutchinson, Katz, and Mayor Naugle. NAYS: none.

Regional Activity Center (RAC) Subarea Mobility Study

A motion was presented authorizing the Northwest-Progresso-Flagler Heights Community Redevelopment Area to participate in the RAC Subarea Mobility Study. Commissioner Katz inquired about the funding source. Ms. Kim Jackson, CRA Director, advised that there was a line item in the budget entitled "Other Professional Services," and there were still some monies in that account.

Motion made by Commissioner Smith and seconded by Commissioner Hutchinson to authorize the Northwest-Progresso-Flagler Heights Community Redevelopment Area to participate in the RAC Subarea Mobility Study. Roll call showed: YEAS: Commissioners Hutchinson, Katz, Smith, Moore, and Mayor Naugle. NAYS: none.

Henry's Retirement Home in the Sweeting Estates Area

A motion was presented authorizing issuance of a Request for Proposals (RFP) for the Henry's Retirement Home site to seek a use that was compatible with the residential area.

Motion made by Commissioner Moore and seconded by Commissioner Smith to authorize issuance of an RFP for the Henry's Retirement Home site to seek a use compatible with the residential area. Roll call showed: YEAS: Commissioners Hutchinson, Katz, Smith, Moore, and Mayor Naugle. NAYS: none.

Konover Negotiation Status Update

A presentation was scheduled by Philip Bacon, Redevelopment Projects Manager, on the status of the negotiation with Broward Barron for the Konover/I-95 site. Mayor Naugle felt the written report was sufficient. The City Manager advised that staff was proceeding with meetings with the Broward Barron group, and a term sheet had been drafted. He reported that the CRA Advisory Board would consider it on February 6, 2002, with a goal of bringing a development agreement to the City Commission, sitting as the CRA, in June.

Mayor Naugle thought there would be a 6-month timeframe starting in October, and June seemed closer to 9 months. Mr. Pete Witschen, Assistant City Manager, believed the six-month timeframe would be met. Mayor Naugle understood an agreement would be presented in March and wondered if the developer could meet that schedule.

Mr. Charlie Ladd, of Broward Barron, said that he could accommodate whatever schedule the City desired. Commissioner Smith noted that the City was going to buy the Housing Authority property for \$2.6 million, and the other property had not yet been sold. He wondered why the City would want to buy more land before there was an agreement to sell what was already owned. Commissioner Smith thought the City should let the Barron Group purchase this property and then move forward on the Housing Authority building. He did not think it would be prudent to buy more property when other property had not been sold.

Mr. Witschen stated that the closing on the property was September 24, 2002. Mayor Naugle noted that there was another company waiting if this negotiation did not work out. Commissioner Smith wanted to determine if the Housing Authority was willing to extend the deadline. Mr. Bacon noted that the RFP had offered the 18 acres in its entirety, including the Housing Authority's Lakeview property. In addition, in order for a private developer to acquire the Lakeview property, it would have to go through an open, competitive bid process.

Commissioner Smith believed the Barron Group was willing and prepared to buy both properties if the terms were reasonable. However, once the City owned the Housing Authority property, it would own it forever. Therefore, he did not think there would be any harm in getting this deal together first because it was not prudent to keep buying property outside the target area without being certain it could be sold.

Mr. Bacon stated that the City Commission had approved the purchase of the Lakeview property on September 5, 2001 as part of the first phase of the Konover redevelopment project. Commissioner Smith believed that had been done under the assumption that the boarded shopping center would be sold, but it was still sitting there 8 years later. Mayor Naugle did not think the goal of the City was to just unload the two properties. Rather, the idea was to give someone a bargain on the properties to ensure something was built that would benefit the community. He thought it would be irresponsible to go back on the terms of a contract. Commissioner Smith believed the Housing Authority would extend the deadline.

Commissioner Moore believed this was a success story, and the City had entered into a contract with the Housing Authority. He hoped the City would not “toy” with the individuals who were residing at the Lakeview property. Commissioner Moore thought the Housing Authority had negotiated in good faith to allow this to take place, and he felt the City should go forward with it. He pointed out that the developer had made a commitment to purchase both properties. Commissioner Smith believed that commitment was contingent upon a development agreement. Commissioner Moore agreed that was correct, and he did not think there would be a problem with the negotiations. Mr. Witschen stated that the development agreement would go to the CRA Advisory Board to perfect it.

Commissioner Katz believed the agreement had been made on October 2, 2001, but nothing had been done until the end of December. She noted that the terms of the agreement had just been hammered out, and Mr. Cardwell had not been present on the City's behalf. Therefore, there were still details to work out, but her concern was the City's risk if closing did not take place. Commissioner Katz wanted to be sure the City was protected. She thought the City could either ask the Housing Authority to postpone its option for another four months or ask the developer to pay \$150,000 now. Commissioner Smith felt that should be non-refundable. Mayor Naugle pointed out that the Commission had known about this on October 2, 2001, and he did not think it was fair to go back and change things now. Commissioner Katz had thought it would be simultaneous.

Commissioner Smith was sorry the City did not “have its act together” yet and suggested the Housing Authority be asked for 30 days to protect the taxpayers. Commissioner Moore was sure the \$2.6 million was invested, probably in property, and he preferred the City invest in the community. He felt property was the best protection the City could have, particularly in light of property values. Commissioner Smith wondered if that was his philosophy Citywide. Commissioner Moore said it was. He felt property was the best investment the City could make.

Commissioner Moore thought that every time a project was proposed in northwest Fort Lauderdale excepting City projects like fire stations, numerous reasons for potential failure were found. However, in other areas of the community, everyone seemed willing to find ways to make projects work. Commissioner Moore believed this project would work, and everyone was willing to go forward.

Mayor Naugle was concerned about the integrity of this body. He pointed out that agreements had been made, and he did not think it was appropriate to try to change terms later or try to “bully” people. He was concerned this would discourage people from trying to work with the City. Commissioner Smith believed the contract said the City would buy the property or pay the developer \$100,000. He felt the City should give them the \$100,000 and walk away or buy an extension. Commissioner Katz pointed out that the land would be tied up for six months assuming closing occurred in September. Mayor Naugle felt the time to address these issues had been in October.

Mr. Witschen wished to clarify that negotiations had been ongoing before December, although it had not “heated up” until the end of the year. He also wanted to clarify that Mr. Cardwell was a professional, and he had developed the term sheet that would be presented to the CRA Advisory Board. Mr. Witschen added that \$2.6 million would be the minimal transfer.

Mr. Ladd said that before the RFP had been issued, he had come to staff and offered to purchase the property. He had been told that it did not work that way, and he had then participated in the RFP process. After selection, staff had sought to ensure that the promises he had made would be fulfilled, and staff had been trying to do that over the past three months. Mr. Ladd explained that language had been discussed to ensure schedules were met, design requirements were met, etc., and there had been a myriad of things City staff had done in an effort to protect the City and the CRA. He respected staff for addressing the best interests of the City, although it had sometimes "rubbed him the wrong way." Nevertheless, staff had been doing their job.

Mr. Ladd did not want to put the City in a position the Commission felt left it exposed. He stated that his offer was still on the table. If the Commission wanted a contract today to purchase the property for cash, he would provide it and put up a deposit of \$150,000 or \$200,000 with the caveat that it be a straight contract for purchase of the property. Commissioner Smith understood Mr. Ladd agreed with the term sheet, and he asked him if he would provide a non-refundable deposit today. Mr. Ladd noted that business terms were set out in the term sheet, but it was not a contract. He said a development agreement would have to be signed. Mr. Witschen added that the extra time was needed to work out the details of the development agreement with the assistance of the CRA Advisory Board.

Commissioner Smith thought the Commission might have to look at how the City invested money. He noted that there was a \$5 million or \$6 million budget shortfall this year, so that money would have to be found somewhere, but if investment in real estate was the new philosophy, he could accept this scenario. Commissioner Moore thought that if the issue was protection, land was the best protection, particularly when the land was on the water and developers were interested.

Commissioner Hutchinson asked the Director of Finance to discuss the funding. Mr. Damon Adams, Director of Finance, stated that the City had over \$200 million invested in bonds, so the \$2.6 million was a minor portion. He noted that \$3 million had been taken out to purchase the Konover property. Mr. Adams said the same mechanism had been used to purchase that property as was recommended in this case. He explained the intent was to purchase it and record it as an asset. Commissioner Katz was concerned about the lost interest. Commissioner Smith asked how much more land the City could landbank. Mr. Adams said that would be up to the City Commission.

Commissioner Hutchinson felt the City should stay with the contract it had. Commissioner Moore reiterated that the 6-month negotiation period would be met as a maximum, and that period had started on October 2, 2001. Commissioner Smith wondered when the shopping center could be torn down. Mr. Ladd stated that the agreement called for closing on September 24, 2002, and the demolition would take place within 30 days thereafter.

Mayor Naugle asked when the Lakeview building residents would be relocated. *Mr. Philip Goombs*, of the Housing Authority, expected to move them out within four months.

Commissioner Smith felt it was criminal to leave a boarded up shopping center in the City for five years. He thought the City should use Contingencies to demolish the property and have the developer repay the cost. Commissioner Moore said there were a number of boarded buildings throughout the City he would like to see demolished. Mayor Naugle believed there was a violation because the boards were not painted, and he felt the City should comply with the Code just like every other property owner.

Mayor Naugle asked if there were any signs on the property about the plans for the property. Mr. Ladd advised only a 4' x 8' sign was allowed, and a variance would be necessary for a larger sign.

There being no further business before the Board of Commissioners, the meeting was adjourned at 4:40 P.M.